

**Introduced by Committee on Revenue and Taxation
(Senators Alpert (Chair), Greene, Karnette, Knight, Lee,
and McPherson)**

March 3, 1998

An act to amend Section 4582.8 of the Public Resources Code, and to amend Sections 64, 75.21, 95.31, 441, 452, 463, 465, 834, and 5802 of, and to add Sections 207.1 and 38116 to, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 2237, as introduced, Committee on Revenue and Taxation. Taxation: property: timber.

Existing law requires the Director of Forestry and Fire Protection to transmit copies of specified notices of exemption or emergency relating to timber to the State Board of Equalization.

This bill would require that those notices include an estimate of the timber owner as to whether or not the subject timber will be subject to timber yield tax, as provided.

Existing property tax law provides that the purchase or transfer of ownership interests in legal entities shall not be deemed to constitute a transfer of the real property of the entity.

This bill would make a technical, nonsubstantive change to those provisions.

Existing property tax law specifies that exemptions shall be applied to the amount of the supplemental assessment, as defined, provided, among other things, that claims for exemption are filed.

This bill would reduce the number of times a claim is required to be filed, and provide that personal property leased to a church and used as provided shall be deemed to be used exclusively for religious purposes.

Existing property tax law provides for certain fiscal years that an eligible county participating in the State-County Property Tax Administration Program may receive a loan for up to amounts specified by the Director of Finance.

This bill would provide that in no event shall the Director of Finance specify a loan amount that is less than \$25,000.

Existing property tax law requires each person owning certain taxable personal property to file a property statement with the assessor within a specified time period. It also requires the State Board of Equalization to prescribe the content of property statements, and notify assessors of the same.

This bill would change that filing period, and change the time period to notify assessors of the contents of the property statements, as provided. It would also establish a uniform statewide filing date of April 30th for business property statements.

Existing property tax law authorizes the assessor to destroy certain documents obtained from taxpayers if specified time has elapsed and the documents have been microfilmed.

This bill would also allow that destruction if the documents have been microfiched, imaged, or otherwise preserved, as provided.

The Mobilehome Property Tax Law provides for the taxation of mobilehomes.

This bill would make a technical, nonsubstantive change to that law relating to base year value, as defined.

The Timber Yield Tax Law imposes a tax on timber owners with respect to the harvesting of timber or felled or downed timber at specified rates.

This bill would exempt from the tax, timber whose immediate harvest value is low, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



The people of the State of California do enact as follows:

SECTION 1. Section 4582.8 of the Public Resources Code is amended to read:

4582.8. Within 10 days from the date that a timber harvesting plan is determined to be in conformance under Section 4582.7, or within 10 days from the date of receipt of a notice of timber operations, a nonindustrial timber harvest notice, a notice of exemption to convert less than three acres to a nontimber use pursuant to Section 4584, or an emergency notice filed pursuant to Section 4592, the director shall transmit copies thereof to the State Board of Equalization. *Any notice of exemption or notice of emergency transmitted to the State Board of Equalization pursuant to this section shall include, among other things, an estimate of the timber owner as to whether the timber to be harvested pursuant to the notice will or will not be exempt from timber yield tax pursuant to Section 38116 of the Revenue and Taxation Code as interpreted and implemented by the State Board of Equalization.*

SEC. 2. Section 64 of the Revenue and Taxation Code is amended to read:

64. (a) Except as provided in subdivision ~~(h)~~ (i) of Section 61 and subdivisions (c) and (d) of this section, the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership or limited liability company interests, shall not be deemed to constitute a transfer of the real property of the legal entity. This subdivision is applicable to the purchase or transfer of ownership interests in a partnership without regard to whether it is a continuing or a dissolved partnership.

(b) Any corporate reorganization, where all of the corporations involved are members of an affiliated group, and that qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and that is accepted as a nontaxable event by similar California statutes, or any transfer of real property among members of an affiliated group, or any reorganization of farm credit

1 institutions pursuant to the federal Farm Credit Act of
2 1971 (Public Law 92-181), as amended, shall not be a
3 change of ownership. The taxpayer shall furnish proof,
4 under penalty of perjury, to the assessor that the transfer
5 meets the requirements of this subdivision.

6 For purposes of this subdivision “affiliated group”
7 means one or more chains of corporations connected
8 through stock ownership with a common parent
9 corporation if both of the following conditions are met:

10 (1) One hundred percent of the voting stock,
11 exclusive of any share owned by directors, of each of the
12 corporations, except the parent corporation, is owned by
13 one or more of the other corporations.

14 (2) The common parent corporation owns, directly,
15 100 percent of the voting stock, exclusive of any shares
16 owned by directors, of at least one of the other
17 corporations.

18 (c) (1) When a corporation, partnership, limited
19 liability company, other legal entity, or any other person
20 obtains control through direct or indirect ownership or
21 control of more than 50 percent of the voting stock of any
22 corporation, or obtains a majority ownership interest in
23 any partnership, limited liability company, or other legal
24 entity through the purchase or transfer of corporate
25 stock, partnership, or limited liability company interest,
26 or ownership interests in other legal entities, including
27 any purchase or transfer of 50 percent or less of the
28 ownership interest through which control or a majority
29 ownership interest is obtained, the purchase or transfer
30 of that stock or other interest shall be a change of
31 ownership of the real property owned by the corporation,
32 partnership, limited liability company, or other legal
33 entity in which the controlling interest is obtained.

34 (2) On or after January 1, 1996, when an owner of a
35 majority ownership interest in any partnership obtains all
36 of the remaining ownership interests in that partnership
37 or otherwise becomes the sole partner, the purchase or
38 transfer of the minority interests, subject to the
39 appropriate application of the step-transaction doctrine,



1 shall not be a change in ownership of the real property
2 owned by the partnership.

3 (d) If property is transferred on or after March 1, 1975,
4 to a legal entity in a transaction excluded from change in
5 ownership by paragraph (2) of subdivision (a) of Section
6 62, then the persons holding ownership interests in that
7 legal entity immediately after the transfer shall be
8 considered the “original coowners.” Whenever shares or
9 other ownership interests representing cumulatively
10 more than 50 percent of the total interests in the entity
11 are transferred by any of the original coowners in one or
12 more transactions, a change in ownership of that real
13 property owned by the legal entity shall have occurred,
14 and the property that was previously excluded from
15 change in ownership under the provisions of paragraph
16 (2) of subdivision (a) of Section 62 shall be reappraised.

17 The date of reappraisal shall be the date of the transfer
18 of the ownership interest representing individually or
19 cumulatively more than 50 percent of the interests in the
20 entity.

21 A transfer of shares or other ownership interests that
22 results in a change in control of a corporation,
23 partnership, limited liability company, or any other legal
24 entity is subject to reappraisal as provided in subdivision
25 (c) rather than this subdivision.

26 (e) In order to assist in the determination of whether
27 a change of ownership has occurred under subdivisions
28 (c) and (d), the Franchise Tax Board shall include a
29 question in substantially the following form on returns for
30 partnerships, banks and corporations (except tax-exempt
31 organizations):

32 If the corporation (or partnership or limited liability
33 company) owns real property in California, has
34 cumulatively more than 50 percent of the voting stock (or
35 more than 50 percent of total interest in both partnership
36 or limited liability company capital and partnership or
37 limited liability company profits) (1) been transferred by
38 the corporation (or partnership or limited liability
39 company) since March 1, 1975, or (2) been acquired by

1 another legal entity or person during the year? (See
2 instructions.)

3 If the entity answers “yes” to (1) or (2) in the above
4 question, then the Franchise Tax Board shall furnish the
5 names and addresses of that entity and of the stock or
6 partnership or limited liability company ownership
7 interest transferees to the State Board of Equalization.

8 SEC. 3. Section 75.21 of the Revenue and Taxation
9 Code is amended to read:

10 75.21. (a) Exemptions shall be applied to the amount
11 of the supplemental assessment, provided that the
12 property is not receiving any other exemption on either
13 the current roll or the roll being prepared except as
14 provided for in subdivision (b), that the assessee is
15 eligible for the exemption, and that in those instances in
16 which the provisions of this division require the filing of
17 claims for exemption, the assessee makes a claim for the
18 exemption *for the next succeeding lien date*.

19 (b) If the property received an exemption on the
20 current roll or the roll being prepared and the assessee on
21 the supplemental roll is eligible for an exemption and in
22 those instances in which the provisions of this division
23 require the filing of claims for exemption, the assessee
24 makes a claim *for the next succeeding lien date* for an
25 exemption of a greater amount, then the difference in the
26 amount between the two exemptions shall be applied to
27 the supplemental assessment.

28 ~~(c) In those instances in which the provisions of this~~
29 ~~division require the filing of claims for exemption, except~~
30 ~~as provided in subdivision (d) or (e), any person claiming~~
31 ~~to be eligible for an exemption to be applied against the~~
32 ~~amount of the supplemental assessment shall file a claim~~
33 ~~or an amendment to a current claim, in that form as~~
34 ~~prescribed by the board, on or before the 30th day~~
35 ~~following the date of notice of the supplemental~~
36 ~~assessment, in order to receive a 100-percent exemption.~~

37 ~~(1) With respect to property as to which the college,~~
38 ~~cemetery, church, religious, exhibition, veterans'~~
39 ~~organization, free public libraries, free museums, public~~
40 ~~schools, community colleges, state colleges, state~~

1 ~~universities, or welfare exemption was available but for~~
2 ~~which a timely application for exemption was not filed,~~
3 ~~the following amounts shall be canceled or refunded:~~

4 ~~(A) Ninety percent of any tax or penalty or interest~~
5 ~~thereon, or any amount of tax or penalty or interest~~
6 ~~thereon exceeding two hundred fifty dollars (\$250) in~~
7 ~~total amount, whichever is greater, for each~~
8 ~~supplemental assessment, provided that an appropriate~~
9 ~~application for exemption is filed on or before the date on~~
10 ~~which the first installment of taxes on the supplemental~~
11 ~~tax bill becomes delinquent, as provided by Section 75.52.~~

12 ~~(B) Eighty-five percent of any tax or penalty or~~
13 ~~interest thereon, or any amount of tax or penalty or~~
14 ~~interest thereon exceeding two hundred fifty dollars~~
15 ~~(\$250) in total amount, whichever is greater, for each~~
16 ~~supplemental assessment, if an appropriate application~~
17 ~~for exemption is thereafter filed.~~

18 ~~(2) With respect to property as to which the welfare~~
19 ~~exemption or veterans' organization exemption was~~
20 ~~available, all provisions of Section 254.5, other than the~~
21 ~~specified dates for the filing of affidavits and other acts,~~
22 ~~are applicable to this section.~~

23 ~~(3) With respect to property as to which the veterans',~~
24 ~~homeowners', or disabled veterans' exemption was~~
25 ~~available but for which a timely application for~~
26 ~~exemption was not filed, that portion of tax attributable~~
27 ~~to 80 percent of the amount of exemption available shall~~
28 ~~be canceled or refunded, provided that an appropriate~~
29 ~~application for exemption is filed on or before the date on~~
30 ~~which the first installment of taxes on the supplemental~~
31 ~~tax bill becomes delinquent, as provided by Section 75.52.~~

32 ~~(4) With respect to property as to which any other~~
33 ~~exemption was available, but for which a timely~~
34 ~~application for exemption was not filed, the following~~
35 ~~amounts shall be canceled or refunded:~~

36 ~~(A) Ninety percent of any tax or penalty or interest~~
37 ~~thereon, provided that an appropriate application for~~
38 ~~exemption is filed on or before the date on which the first~~
39 ~~installment of taxes on the supplemental tax bill becomes~~
40 ~~delinquent, as provided by Section 75.52.~~

~~(B) Eighty-five percent of any tax or penalty or interest thereon, or any amount of tax or penalty or interest thereon exceeding two hundred fifty dollars (\$250) in total amount, whichever is greater, for each supplemental assessment, if an appropriate application for exemption is thereafter filed.~~

~~Other provisions of this division pertaining to the late filing of claims for exemption do not apply to assessments made pursuant to this chapter.~~

~~(d)~~

(c) For purposes of this section, any claim for the homeowners' exemption, veterans' exemption, or disabled veterans' exemption previously filed by the owner of a dwelling, granted and in effect, constitutes the claim or claims for that exemption required in this section. In the event that no claim for the homeowners' exemption, veterans' exemption, or disabled veterans' exemption is in effect, a claim for any of those exemptions for a single supplemental assessment for a change in ownership or new construction occurring on or after June 1, up to and including December 31, shall apply to that assessment; a claim for any of those exemptions for the two supplemental assessments for a change in ownership or new construction occurring on or after January 1, up to and including May 31, one for the current fiscal year and one for the following fiscal year, shall apply to those assessments. In either case, if granted, the claim shall remain in effect until title to the property changes, the owner does not occupy the home as his or her principal place of residence on the lien date, or the property is otherwise ineligible pursuant to Section 205, 205.5, or 218.

~~(e) Notwithstanding subdivision (c), no additional exemption claim shall be required to be filed until the next succeeding lien date in the case in which a supplemental assessment results from the completion of new construction on property that has previously been granted exemption on either the current roll or the roll being prepared.~~

SEC. 4. Section 207.1 is added to the Revenue and Taxation Code, to read:

1 207.1. Personal property leased to a church and used
2 exclusively for the purposes described in Section 207 shall
3 be deemed to be used exclusively for religious purposes
4 under that section.

5 The exemption provided by this section is granted
6 pursuant to the authority in Section 2 of Article XIII of the
7 California Constitution.

8 SEC. 5. Section 95.31 of the Revenue and Taxation
9 Code is amended to read:

10 95.31. (a) (1) Notwithstanding any other provision
11 of law, any eligible county may, upon the
12 recommendation of the county assessor, and by resolution
13 of the board of supervisors of that county adopted not
14 later than December 1 of the fiscal year for which it is to
15 first apply, elect to participate in the State-County
16 Property Tax Administration Program.

17 (2) Except as specified in paragraph (3), for the
18 purposes of this section, an eligible county shall mean a
19 county in which additional property tax revenue
20 allocated to school entities would reduce the amount of
21 General Fund moneys apportioned to school entities.
22 However, eligibility shall be terminated when, in
23 combination with resources in the Educational Revenue
24 Augmentation Fund, additional property tax revenues
25 allocated to school entities will not result in a reduction
26 in the General Fund apportionments.

27 (3) Notwithstanding paragraph (2), both the County
28 of Solano and the County of San Benito shall be deemed
29 eligible counties that may, upon the recommendation of
30 the county assessor, and by resolution of the board of
31 supervisors of the county adopted on or before March 31,
32 1996, elect to participate in the State-County Property
33 Tax Administration Program.

34 (b) (1) In each fiscal year from the 1995–96 fiscal year
35 to the 2000–01 fiscal year, inclusive, an eligible county
36 participating in the State-County Property Tax
37 Administration Program may receive a loan for up to the
38 amount listed in paragraph (3). The loan shall be repaid
39 by June 30 of the fiscal year following the year in which
40 the loan is made. However, at the discretion of the

Director of Finance, the loan may be renewed once for an additional 12-month period at the request of the participating county board of supervisors. For the Counties of Fresno, Orange, San Benito, and Solano any loan agreement signed on or before July 31, 1996, shall be deemed a loan agreement for the 1995–96 fiscal year for the purposes of this section.

(2) If an eligible county elects to participate in the State-County Property Tax Administration Program, it shall enter into a contractual agreement with the Department of Finance. At a minimum, the contractual agreement shall include the following:

(A) The loan amount, as determined by the Director of Finance.

(B) Repayment provisions, including the interception of Motor Vehicle License Fee Account moneys apportioned pursuant to Section 11005 to repay the General Fund.

(C) A listing of the proposed use of the additional resources including, but not limited to:

(i) Proposed new positions.

(ii) Increased automation costs.

(D) An agreement to provide to the Department of Finance, by March 31 of the fiscal year in which the loan is made, a report projecting the impact of the increased funding in the current and subsequent fiscal year.

(3) Upon request of the Department of Finance, the Controller shall provide a loan to ~~the following~~ counties ~~for up to~~ in the amount specified by the Director of Finance, ~~not to exceed the following amounts:~~

(4) *For each county, the Director of Finance may specify any loan amount up to the amount listed below.*

Jurisdiction	Amount
Alameda	\$ 2,152,429
Alpine	3,124
Amador	80,865
Butte	381,956
Calaveras	109,897
Colusa	53,957

1	Contra Costa	2,022,088
2	Del Norte	36,203
3	El Dorado	302,795
4	Fresno	1,165,249
5	Glenn	59,197
6	Humboldt	210,806
7	Imperial	231,673
8	Inyo	100,080
9	Kern	1,211,318
10	Kings	138,653
11	Lake	117,376
12	Lassen	54,699
13	Los Angeles	13,451,670
14	Madera	212,991
15	Marin	790,490
16	Mariposa	46,476
17	Mendocino	160,435
18	Merced	298,004
19	Modoc	24,022
20	Mono	47,778
21	Monterey	795,819
22	Napa	366,020
23	Nevada	234,292
24	Orange	6,826,325
25	Placer	628,047
26	Plumas	80,606
27	Riverside	2,358,068
28	Sacramento	1,554,245
29	San Benito	90,408
30	San Bernardino	2,139,938
31	San Diego	5,413,943
32	San Francisco	1,013,332
33	San Joaquin	818,686
34	San Luis Obispo	736,288
35	San Mateo	2,220,001
36	Santa Barbara	926,817
37	Santa Clara	4,213,639
38	Santa Cruz	565,328
39	Shasta	342,399



1	Sierra	7,383
2	Siskiyou	91,164
3	Solano	469,207
4	Sonoma	1,035,049
5	Stanislaus	866,155
6	Sutter	147,436
7	Tehama	97,222
8	Trinity	24,913
9	Tulare	501,907
10	Tuolumne	126,067
11	Ventura	1,477,789
12	Yolo	278,309
13	Yuba	88,968

14
 15 (5) *Notwithstanding paragraph (4), in no event shall*
 16 *the Director of Finance specify a loan amount that is less*
 17 *than \$25,000.*

18 ~~(4)–~~

19 (6) The Department of Finance shall consider any or
 20 all of the following items in determining the extent to
 21 which a county has satisfied the terms and repaid the loan,
 22 pursuant to the contract, as offered under this part:

23 (A) County performance as indicated by the State
 24 Board of Equalization's sample survey required pursuant
 25 to Section 15640 of the Government Code.

26 (B) Performance measures adopted by the California
 27 Assessors' Association.

28 (C) Reduction of backlog of assessment appeals and
 29 Proposition 8 declines in value.

30 (D) County compliance with mandatory audits
 31 required by Section 469.

32 (E) Reduction of backlogs in new construction,
 33 changes in ownership, and supplemental roll.

34 (F) Other measures, as determined by the Director of
 35 Finance.

36 ~~(5)–~~

37 (7) The Director of Finance shall notify the Controller
 38 of any participating county that fails to comply with the
 39 terms of the agreement, including the repayment of the
 40 loan. When the Controller receives notice from the

1 Director of Finance, the Controller shall make an
2 apportionment to the General Fund on behalf of the
3 participating county in the amount of that required
4 payment for the purpose of making that payment. The
5 Controller shall make that payment only from moneys
6 credited to the Motor Vehicle License Fee Account in the
7 Transportation Tax Fund to which the participating
8 county is entitled at that time under Chapter 5
9 (commencing with Section 11001) of Part 5 of Division 2,
10 and shall thereupon reduce, by the amount of the
11 payment, the subsequent allocation or allocations to
12 which the county would otherwise be entitled under that
13 chapter.

14 (c) (1) Funds appropriated for purposes of this
15 section shall be used to enhance the property tax
16 administration system by providing supplemental
17 resources. Amounts provided to any county as a loan
18 pursuant to this section shall not be used to supplant the
19 current level of funding. In order to participate in the
20 State-County Property Tax Administration Program, a
21 participating county shall maintain a base staffing,
22 including contract staff, and total funding level in the
23 county assessor's office, independent of the loan proceeds
24 provided pursuant to this act, equal to the levels in the
25 1994-95 fiscal year exclusive of amounts provided to the
26 assessor's office pursuant to Item 9100-102-001 of the
27 Budget Act of 1994. However, in a county in which the
28 1994-95 funding level for the assessor's office was higher
29 than the 1993-94 level, the 1993-94 fiscal year staffing and
30 funding levels shall be considered the base year for
31 purposes of this section. Commencing with the 1996-97
32 fiscal year, if a county was otherwise eligible but was
33 unable to participate in this program in the 1995-96 fiscal
34 year because it did not meet the funding level and staffing
35 requirements of this paragraph, that county shall
36 maintain a base staffing, including contract staff, and total
37 funding level in the county assessor's office equal to the
38 levels in the 1995-96 fiscal year.

39 (2) Prior to the assessor's recommendation for
40 participation in the State-County Property Tax

1 Administration Program, the assessor shall consult with
2 the county tax collector, and any other county agency
3 directly involved in property tax administration, to
4 discuss the needs of the program for the duration of the
5 contractual agreement.

6 (d) A participating county may establish a tracking
7 system whereby a work or function number is assigned to
8 each appraisal or administrative activity. That system
9 should provide statistical data on the number of
10 production units performed by each employee and the
11 positive and negative change in assessed value
12 attributable to the activities performed by each
13 employee.

14 (e) Notwithstanding Section 95.3, no amount of funds
15 provided to an eligible county pursuant to this section
16 shall result in any deduction from those property tax
17 administrative costs that are eligible for reimbursement
18 pursuant to Section 95.3.

19 (f) At the request of the Department of Finance, the
20 board shall assist the Department of Finance in
21 evaluating contracts entered into pursuant to this section.

22 SEC. 6. Section 441 of the Revenue and Taxation
23 Code is amended to read:

24 441. (a) Each person owning taxable personal
25 property, other than a mobilehome subject to Part 13
26 (commencing with Section 5800), having an aggregate
27 cost of one hundred thousand dollars (\$100,000) or more
28 for any assessment year shall file a signed property
29 statement with the assessor. Every person owning
30 personal property which does not require the filing of a
31 property statement or real property shall upon request of
32 the assessor file a signed property statement. Failure of
33 the assessor to request or secure the property statement
34 does not render any assessment invalid.

35 ~~(a)–~~

36 (b) The property statement shall be declared to be
37 true under the penalty of perjury and filed with the
38 assessor between the lien date and 5 p.m. on ~~the last~~
39 ~~Friday in May, annually, or between the lien date and any~~
40 ~~earlier time as the assessor may appoint~~ April 30. *If April*



1 30 falls on Saturday, Sunday, or a legal holiday, an
2 application that is mailed and postmarked on the next
3 business day shall be deemed to have been filed between
4 the lien date and 5 p.m. on April 30. If on the dates
5 specified in this paragraph, the county's offices are closed
6 for business prior to 5 p.m. or for that entire day, that day
7 shall be considered a legal holiday for purposes of this
8 section.

9 ~~(b) If the assessor appoints a time other than the last~~
10 ~~Friday in May, it shall be no earlier than April 1. In this~~
11 ~~event the penalty provided by Section 463 shall apply if~~
12 ~~the property statement is not filed with the assessor by 5~~
13 ~~p.m. on the last Friday in May or if all of the following~~
14 ~~apply:~~

15 ~~(1) The property statement is not filed within the time~~
16 ~~appointed by the assessor.~~

17 ~~(2) The assessor has given notice by certified or~~
18 ~~registered mail, or by first-class mail, properly addressed~~
19 ~~with postage prepaid, no earlier than 15 days after the~~
20 ~~time appointed by the assessor of nonreceipt of the~~
21 ~~property statement within the appointed time. If the~~
22 ~~notice is given by first-class mail, the assessor shall obtain~~
23 ~~a certificate of mailing issued by the United States Postal~~
24 ~~Service verifying the fact and date of mailing of the~~
25 ~~notice.~~

26 ~~(3) The property statement has not been filed with the~~
27 ~~assessor within 15 days following the date of receipt of the~~
28 ~~notice, if the notice is given by certified or registered~~
29 ~~mail, or within 20 days following the date shown on the~~
30 ~~certificate of mailing, if the notice is given by first-class~~
31 ~~mail.~~

32 (c) The property statement may be filed with the
33 assessor through the United States mail, properly
34 addressed with postage prepaid. This subdivision shall be
35 applicable to every taxing agency, including, but not
36 limited to, a chartered city and county, or chartered city.

37 (d) At any time, as required by the assessor for
38 assessment purposes, every person shall make available
39 for examination information or records regarding his or
40 her property or any other personal property located on

1 premises he or she owns or controls. In this connection
2 details of property acquisition transactions, construction
3 and development costs, rental income, and other data
4 relevant to the determination of an estimate of value are
5 to be considered as information essential to the proper
6 discharge of the assessor's duties.

7 (e) In the case of a corporate owner of property, the
8 property statement shall be signed either by an officer of
9 the corporation or an employee or agent who has been
10 designated in writing by the board of directors to sign the
11 statements on behalf of the corporation.

12 (f) In the case of property owned by a bank or other
13 financial institution and leased to an entity other than a
14 bank or other financial institution, the property
15 statement shall be submitted by the owner bank or other
16 financial institution.

17 (g) The assessor may refuse to accept any property
18 statement he or she determines to be in error.

19 (h) If a taxpayer fails to provide information to the
20 assessor pursuant to subdivision (d) and introduces any
21 requested materials or information at any assessment
22 appeals board hearing, the assessor may request and shall
23 be granted a continuance for a reasonable period of time.
24 The continuance shall extend the two-year period
25 specified in subdivision (c) of Section 1604 for a period of
26 time equal to the period of the continuance.

27 SEC. 7. Section 452 of the Revenue and Taxation
28 Code is amended to read:

29 452. For the assessment year beginning in 1968 and
30 each assessment year thereafter, the board shall prescribe
31 in detail the content of property statements, including
32 the specific wording, to be used by all assessors in the
33 several counties, and cities and counties, and shall notify
34 assessors of ~~such~~ *those* specifications ~~at least six months no~~
35 *later than the August 31* prior to the tax lien date on which
36 they become effective. Each assessor shall incorporate
37 the specifications on the exact form he *or she* proposes to
38 use and submit ~~such~~ *that* form to the board for approval
39 prior to use. The property statement shall not include any



1 question ~~which~~ *that* is not germane to the assessment
2 function.

3 SEC. 8. Section 463 of the Revenue and Taxation
4 Code is amended to read:

5 463. If any person who is required by law or is
6 requested by the assessor to make an annual property
7 statement fails to file it with the assessor by 5 p.m. on ~~the~~
8 ~~last Friday in May~~ *April 30*, or if, after written request by
9 the assessor, any person fails to ~~file an annual property~~
10 ~~statement within the time limit specified by Section 441~~
11 ~~or~~ make and subscribe the affidavit respecting his *or her*
12 name and place of residence, a penalty of 10 percent of
13 the assessed value of the unreported taxable tangible
14 property of ~~such~~ *that* person placed on the current roll
15 shall be added to the assessment made on the current roll.

16 Notice of any penalty added to the secured roll
17 pursuant to this section shall be mailed by the assessor to
18 the assessee at his *or her* address as contained in the
19 official records of the county assessor.

20 If the assessee establishes to the satisfaction of the
21 county board of equalization or the assessment appeals
22 board that the failure to *timely* file the property
23 statement ~~within the time required by Section 441~~ was
24 due to reasonable cause and not due to willful neglect, it
25 may order the penalty abated, provided the assessee has
26 filed with the county board written application for
27 abatement of the penalty within the time prescribed by
28 law for the filing of applications for assessment
29 reductions.

30 If the penalty is abated, it shall be canceled or refunded
31 in the same manner as an amount of tax erroneously
32 charged or collected.

33 SEC. 9. Section 465 of the Revenue and Taxation
34 Code is amended to read:

35 465. The assessor may destroy any document
36 containing information obtained from taxpayers when
37 seven years have elapsed since the lien date for the taxes
38 for which ~~such~~ *the* information was obtained, provided,
39 however, that ~~such~~ *the* documents may be destroyed
40 when three years have elapsed since ~~such~~ *the* lien date

1 when ~~such~~ the documents have been microfilmed,
2 microfiched, imaged, or otherwise preserved on a media
3 that provides access to the document.

4 SEC. 10. Section 834 of the Revenue and Taxation
5 Code is amended to read:

6 834. The board may destroy any documents
7 containing information obtained from taxpayers when
8 seven years have elapsed since the lien date for the taxes
9 for which ~~such~~ the information was obtained, *provided,*
10 *however, that the documents may be destroyed when*
11 *three years have elapsed since the lien date when the*
12 *documents have been microfilmed, microfiched, imaged,*
13 *or otherwise preserved on a media that provides access*
14 *to the document.*

15 SEC. 11. Section 5802 of the Revenue and Taxation
16 Code, as amended by Section 14 of Chapter 1222 of the
17 Statutes of 1994, is amended to read:

18 5802. (a) Except as provided in ~~subdivision~~
19 *subdivisions* (b) and (c), “base year value” as used in this
20 part means the full cash value of a manufactured home on
21 the date the manufactured home is purchased or changes
22 ownership. If the manufactured home undergoes any
23 new construction after it is purchased or changes
24 ownership, the base year value of the new construction is
25 its full cash value on the date on which the new
26 construction is completed, and if uncompleted, on the
27 lien date.

28 (b) The base year value of a manufactured home for
29 which the license fee is delinquent shall be its full cash
30 value on the lien date for the fiscal year in which it is first
31 enrolled.

32 (c) The base year value of a manufactured home
33 converted pursuant to Section 18119 of the Health and
34 Safety Code from taxation under Part 5 (commencing
35 with Section 10701) of Division 2 to taxation under this
36 part shall be its full cash value on the lien date for the fiscal
37 year in which that manufactured home is first enrolled.

38 (d) Notwithstanding any other provision of law, the
39 assessor shall determine the base year value of a
40 manufactured home, located in a resident-owned

mobilehome park or a rental park in the process of being changed to resident ownership, that is converted to property taxation by the registered owner pursuant to Section 18555 of the Health and Safety Code, so that the property taxes levied, after adjustment for any applicable exemption, shall be the same amount as the vehicle license fee that was imposed for the registration year in which the home was converted to property taxation.

(e) This section shall remain in effect until January 1, 1999, and on that date is repealed.

SEC. 12. Section 5802 of the Revenue and Taxation Code, as amended by Section 15 of Chapter 1222 of the Statutes of 1994, is amended to read:

5802. (a) Except as provided in ~~subdivision~~ *subdivisions* (b) and (c), “base year value” as used in this part means the full cash value of a manufactured home on the date the manufactured home is purchased or changes ownership. If the manufactured home undergoes any new construction after it is purchased or changes ownership, the base year value of the new construction is its full cash value on the date on which the new construction is completed, and if uncompleted, on the lien date.

(b) The base year value of a manufactured home for which the license fee is delinquent shall be its full cash value on the lien date for the fiscal year in which it is first enrolled.

(c) The base year value of a manufactured home converted pursuant to Section 18119 of the Health and Safety Code from taxation under Part 5 (commencing with Section 10701) of Division 2 to taxation under this part shall be its full cash value on the lien date for the fiscal year in which that manufactured home is first enrolled.

(d) This section shall become operative on January 1, 1999.

SEC. 13. Section 38116 is added to the Revenue and Taxation Code, to read:

38116. There is exempted from the tax imposed by this part timber whose immediate harvest value is so low that, if not exempt, the tax on the timber would amount

1 to less than the cost of administering and collecting the
2 tax, as determined by the board by rule. The board, after
3 consultation with the Timber Advisory Committee, shall
4 establish by rule the level at which the tax that would
5 apply is less than the cost to administer and collect the tax.

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